

AMENDED IN ASSEMBLY MAY 4, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 431

Introduced by Assembly Member Gray
(Principal coauthor: Senator Hall)

February 19, 2015

An act to add Chapter 5.2 (commencing with Section 19990.101) to Division 8 of the Business and Professions Code, relating to gambling.

LEGISLATIVE COUNSEL’S DIGEST

AB 431, as amended, Gray. Gambling: Internet poker.

Existing law, the Gambling Control Act, provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Department of Justice.

~~This bill would authorize the operation of an Internet poker Web site within the borders of the state. The bill would require the commission, in consultation with the department, to promulgate regulations for intrastate Internet poker. The bill would require those regulations to include, but not be limited to, a licensing process for an individual or entity to become an operator of an Internet poker Web site and rules for the operation of an Internet poker Web site.~~ *declare the Legislature’s intent regarding the authorization of Internet poker within the borders of the state. The bill would require the Legislature, among other things, to include consumer protections for Californians in any Internet poker framework that may be adopted by the Legislature to authorize Internet poker in the state, to ensure that framework provides a fair share of revenue for the state, and to include strict standards in that framework*

to ensure that the Internet poker games are fair. The bill would also make related legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~-no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares both of the
2 following:

3 (a) In October 2006, the United States Congress passed the
4 Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA)
5 (31 U.S.C. Secs. 5361 et seq.), which generally prohibits the use
6 of banking instruments, including credit cards, checks, and fund
7 transfers, for interstate Internet gambling.

8 (b) UIGEA essentially prohibits online gambling by United
9 States citizens, but includes exceptions that permit individual states
10 to create a regulatory framework to enable intrastate Internet
11 gambling, if the bets or wagers are made exclusively within a
12 single state under certain circumstances.

13 SEC. 2. Chapter 5.2 (commencing with Section 19990.101) is
14 added to Division 8 of the Business and Professions Code, to read:

15
16 CHAPTER 5.2. AUTHORIZED INTRASTATE INTERNET POKER

17
18 Article 1. General Provisions

19
20 19990.101. ~~An Internet poker Web site authorized pursuant to~~
21 ~~this chapter may be operated within the borders of the state-~~
22 *(a) It is the intent of the Legislature that any Internet poker framework*
23 *that may be adopted by the Legislature to authorize Internet poker*
24 *in the state be developed in accordance with all applicable laws*
25 *and regulations, including, but not limited to, the Unlawful Internet*
26 *Gambling Enforcement Act of 2006 (31 U.S.C. Secs. 5361 et seq.).*

27 *(b) Any Internet poker framework shall contain consumer*
28 *protections for Californians who seek to engage in a legal*
29 *alternative to unlawful Internet poker, ensure a fair share of*
30 *revenue for the state, and protect the public interest by ensuring*
31 *that the various aspects of Internet poker are sanctioned and*
32 *regulated by the state. The framework shall also provide*
33 *mechanisms to address the negative impacts of Internet poker*

1 *gambling and seek to provide economic benefits to California's*
2 *economy.*

3 *(c) A framework shall also include strict standards to ensure*
4 *that the Internet poker games are fair, operated by qualified*
5 *entities, and are played by persons of legal age who are located*
6 *in California, using technologies to identify and restrict access by*
7 *minors.*

8
9 ~~Article 2. Definitions~~

10
11 ~~19990.201. For purposes of this chapter, the following~~
12 ~~definitions apply:~~

13 ~~(a) "Commission" means the California Gambling Control~~
14 ~~Commission.~~

15 ~~(b) "Department" means the Department of Justice.~~

16
17 ~~Article 3. Administration~~

18
19 ~~19990.301. The commission, in consultation with the~~
20 ~~department, shall promulgate regulations for intrastate Internet~~
21 ~~poker. These regulations shall include, but not be limited to, both~~
22 ~~of the following:~~

23 ~~(a) A licensing process for an individual or entity to become an~~
24 ~~operator of an Internet poker Web site.~~

25 ~~(b) Rules for the operation of an Internet poker Web site.~~